

We are building a refinery in Delaware today. It is not a traditional kind of refinery. We have a big oil refinery along the Delaware River in a town called Delaware City. This is a refinery where we are going to bring soybeans to the refinery and create, again, a blend of soybean oil and diesel fuel to help power those DelDOT vehicles and other vehicles normally diesel powered.

In the next year or so, new EPA requirements for cleaner, leaner, low-burning emission diesel engines will be phased in, Tier II requirements. As we face those requirements, we will find that diesel-powered vehicles, which used to belch black smoke pulling away from intersections and traffic lights, leaving a huge black plume of particulate and pollutants—those days are, at least with respect to new vehicles on the road, those days will be gone for the most part next year. We will see more diesel-powered vehicles which, in many cases in the future, will be clean burning, as lean burning, as low emission as our internal gas-powered engines that can take advantage of the refinery we are building north of Dover, DE, and other folks that are building similar biodiesel refineries in their own States.

We did a couple smart things in the Energy bill that we enacted early this year. They also relate to enhancing our ability to reduce our reliance on foreign oil. We have expanded the tax credit for people who buy hybrid-powered vehicles, a combination of internal combustion engine with the electric motor.

Under current law, the tax credit for people buying hybrids is about \$1,000, a flat \$1,000. I don't believe it is bigger if you have a vehicle that gets 60 miles per gallon as opposed to one that gets 30. The tax credit for hybrid-powered vehicles will change on January 1. Beginning that day, people who buy a hybrid-powered vehicle, ones that are highly energy efficient, get a tax credit worth up to as much as \$3,400. For hybrid engine vehicles that are less energy efficient, the tax credit goes down.

Similarly, we are going to begin to offer, on January 1 of next year, a tax credit—again, a variable tax credit—for folks who buy lean-burning, clean-burn, low-emission, highly fuel-efficient diesel-fueled vehicles.

The head of Daimler Chrysler in North America, Juergen Schrempp, will head up Daimler Chrysler around the world and was here hosting a reception off of Capitol Hill and brought with him folks from Daimler Chrysler. Vehicles were, in some cases, internal combustion engines and other cases diesel powered. He brought with him a concept passenger car. They have not built it yet but they are hoping. My hope is that they will. The vehicle gets 60 miles per gallon in the city and 80 miles per gallon on the highway. The combination overall is about 70 miles per gallon. The vehicle will meet Tier II diesel requirements for lower emissions, as well.

We have seen our friends from GM and Daimler Chrysler create a partnership early this year for developing the next generation of hybrid-powered vehicles.

My hope is that one of the concepts they will come up with, one of the engines and power systems they will come up with, is something that marries together this notion of a low-emissions, highly energy efficient diesel-powered engine with an electric engine. It will be a diesel hybrid. GM has already introduced that kind of technology quite successfully with respect to buses. We have thousands of buses that are now roaming the streets of America that are diesel powered but also have a hybrid counterpart, too, to provide better efficiency and lower emissions.

I think it would be terrific for consumers and those of us who are interested in cleaner air and for those of us who are interested in reducing our reliance on foreign oil to take that same concept of a diesel engine with an electric hybrid motor—putting them together—and being able to introduce that kind of propulsion system in our cars, trucks, and vans, as we have—at least by GM—in larger vehicles.

Nobody in this country should be comfortable with the state we find ourselves in today, with this huge and growing reliance on foreign oil. We can do better. On behalf of all of us in this country, and especially our kids, the folks to whom we are leaving our trade deficit and our budget deficit, we have to do better than this.

About a quarter of our trade deficit is attributable to the cost of oil, the importation of oil. We cannot continue on a course, in my view, that has \$300 billion or \$400 billion budget deficits and \$600 billion or \$700 billion trade deficits. That is not sustainable. One of the ways we can at least take a big bite out of that trade deficit is to move toward energy independence, maybe by the year 2020—it would be great if we could do it sooner; that may not be realistic—but at least by 2020.

With that, Mr. President, I yield back my time and thank the Chair.

#### NOTICE OF INTENT

Mr. DORGAN. Mr. President, I submit the following notice in writing: In accordance with rule V of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill H.R. 3058 amendment No. 2078.

(The amendment is printed in today's RECORD under "Text of Amendments.")

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, it appears that action for the day on the Treasury, Transportation, Housing and Urban Development, the Judiciary, and Related Agencies appropriations bill has come to a close. I ask once again that our colleagues be prepared to offer amendments tomorrow or we will ask to go to third reading.

#### MORNING BUSINESS

Mr. BOND. Mr. President, I ask unanimous consent that we now proceed to a period of morning business, with Senators permitted to speak therein for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### REPEAL OF MICROPURCHASE AUTHORITY

Mr. GRASSLEY. Mr. President, I rise today to speak regarding the repeal of expanded Federal Government micropurchase limits, as well as to speak regarding recent regulatory action taken by the Office of Management and Budget on this matter.

We are all deeply concerned with the recent events surrounding Hurricane Katrina and the massive rebuilding and reconstruction efforts ongoing in the gulf coast.

While we all agree that help is needed, many have argued how best to provide this help. The second supplemental emergency appropriation for Hurricane Katrina included a number of provisions to help provide for rebuilding and reconstruction—including nearly \$61 billion.

This money will help rebuild the gulf coast, yet there were some provisions in that second supplemental that leave the rebuilding effort vulnerable to fraud, waste, and abuse of taxpayer dollars.

One such provision was the repeal of the limitations on micropurchase spending authority. Micropurchases represent delegated buying authority for Federal agencies and were designed to save money by providing flexible spending. Micropurchases are usually small—averaging \$600—and are most often made through Government credit cards.

By law these Government credit card micropurchases were originally capped at \$2,500 per purchase. This limit was raised following 9/11 for emergency purposes only, to \$15,000 domestically and \$25,000 abroad.

The second Hurricane Katrina supplemental raised this emergency rate from \$15,000 to \$250,000, per purchase. This change represents a nearly 1600 percent increase. Imagine a Government bureaucrat being able to walk into a store, purchase an item for \$250,000 without prior approval, and say, "Put it on the taxpayer's tab."

History has proven that these Government credit cards are prone to fraud, waste and abuse of taxpayer funds. I began looking into this issue several years ago. Working with the Government Accountability Office, GAO, and the various inspectors general over the years, I have uncovered hundreds of millions of dollars lost to fraud, waste, and abuse due to inadequate controls on Government credit cards.

This history of abuse prompted my immediate attention and intervention